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MEMORANDUM FOR: Secretary, CIA Management Committee

FROM : Deputy Director for Management and Services

SUBJECT : Executive Dining Room

1. Action Requested: Two alternatives are presented in paragraph 3a for your approval regarding the staffing of the Executive Dining Room (EDR).

2. Basic Data or Background:

a. In order to enable us to meet our quota during our last reduction-in-force exercise, it was decided that we would eliminate seven staff and two contract positions from the EDR table of organization and that we would look into the possibility of either eliminating this activity, scaling it down, or having a commercial firm operate it in our behalf. Attachment 1 contains a listing of the positions in the EDR as it is constituted today. The seven staff positions have been deleted, effective at the beginning of fiscal year 1975.

b. We have examined the possibility of eliminating the activity completely. However, for the same operational and security reasons which led to the establishment of the EDR (and the DCI Dining Room), we believe the elimination of this facility to be both impractical and undesirable.

c. Looking to the continuation of the EDR facility in some form, we contacted Government Services, Incorporated (GSI), and asked them to submit proposals to us for: One, operating the EDR and DCI Dining Room in their present mode; and Two, operating the two dining rooms with scaled-down or modified service. Copies of the correspondence containing GSI's offers are attached (Attachment 2). Again, after a careful examination of the offers,

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we have concluded it would not be in the Agency's best interests to contract with a commercial firm and have them take over the management. Our reasoning is based on:

(1) The fact that GSI would only operate the facility--in any mode--on a management-fee basis;

(2) The fact that such a management-fee basis would only increase our current costs and, in effect, increase our subsidy to the EDR; and

(3) The fact that we would be divesting ourselves of much of the control of operations which we now have and, additionally, be forced into accounting procedure changes we do not believe compatible with our modus operandi.

We believe you will agree that, generally speaking and after consideration of the facts, the EDR today is well managed.

3. Staff Position:

a. Based on our review, it appears the Agency is left with two alternatives:

(1) Convert all the staff employees to contract status; or

(2) Based on the nature of this facility, require each of the Directorates to provide a pro-rata share of positions (and funds for salaries) to contribute to the present staffing. Attachment 3 gives a breakout, by Directorate, of the current membership of the EDR. Thus, if this proposal is adopted, the following Directorate "contributions" would appear to be appropriate:

DCI	1.3 or 1
DD/S&T	1.6 or 2
DD/M&S	1.6 or 2
DD/O	3.1 or 3
DD/I	1.3 or 1

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b. For two reasons, we believe option (1) should not be pursued. First, it could conceivably be both a temporary and a dangerous expedient inasmuch as it is our understanding that the Office of Management and Budget is examining all contract positions very carefully to ensure that they are not being used to circumvent authorized ceilings; and second, considering the fact that all personnel involved are in the minority-employee group, the use of "contract status" in this instance could prove damaging to the EEO image we are striving so hard to improve.

4. Recommendation: It is recommended, therefore, that the Committee approve alternative (2) above.

HAROLD L. BROWNMAN
Deputy Director
for
Management and Services

3 Atts

APPROVED: See: Comment on log ticket
Never Fwded. to ES/CIA/ME

DISAPPROVED: _____

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